

Nixon Reported Weighing Revamping of

Intelligence Services

By BENJAMIN WELLES

Special to The New York Times

WASHINGTON, May 10 — President Nixon is said to be considering a major reorganization of the nation's foreign intelligence activities to improve output and cut costs.

Those familiar with the plan say that the options range from creating a new Cabinet-level department of intelligence to merely strengthening the now-imprecise authority of Richard Helms, Director of Central Intelligence, over the global intelligence operations of the Pentagon and other federal agencies.

The reorganization plan has recently been presented to President Nixon. It covers 30 to 40 typewritten pages and was prepared primarily by James R. Schlesinger, assistant director of the Office of Management and Budget, and K. Wayne Smith, a former Pentagon systems analyst now on the National Security Council staff.

The informants say the plan grew from instructions Mr. Nixon gave his staff last autumn, to draft various reorganizational and cost-cutting studies.

Complaints Voiced

Both the President and Henry A. Kissinger, his assistant for national security affairs, have frequently expressed dissatisfaction over the erratic quality of the foreign intelligence provided them. Some

White House officials estimate that at least \$500-million could be cut from the \$5-billion spent annually on national intelligence.

Mr. Nixon and Mr. Kissinger have said that while occasionally intelligence of extreme usefulness — such as the incredibly detailed information on Soviet and Chinese Communist missile development obtained from spy satellites — has been produced, the service has frequently failed to forecast such sudden developments as the riots that forced a political reshuffle in Poland last December.

Mr. Nixon is particularly dissatisfied, his associates say, by the cost and size of the Government's global intelligence operations when compared with their results. In

Central Intelligence Agency, five federal agencies are involved in intelligence overseas. At least 200,000 people are involved, 150,000 of these uniformed personnel in the Defense Department.

The President was seriously irritated, aides say, by two recent failures of the Pentagon's Defense Intelligence Agency, which numbers 3,000 and spends an estimated \$500-million yearly. One was faulty intelligence prior to the abortive prison-camp raid at Son Tay, in North Vietnam, last November. The other was failure to forecast North Vietnamese resist-

ance to the South Vietnamese Army's incursion into Laos Feb. 5 to March 25.

'Their Estimates Were Better'

"Hanoi threw 35,000 men or four divisions against the 17,000 in ARVN," said one qualified source. "They stripped North Vietnam of troops, gambling that the United States wouldn't invade the North — and they were right. Their estimates were better than ours."

The most drastic option open to Mr. Nixon would be the creation of a new department of intelligence to be headed by an official of Cabinet rank. It would combine the Central Intelligence Agency with 15,000 civilian employees; the Defense Department's code-cracking National Security Agency with 100,000 uniformed personnel; and the Defense Intelligence Agency with 3,000. The C.I.A. spends about \$500-million yearly; the National Security Agency \$1-billion; and the Defense Intelligence Agency \$500-million.

The merit, some experts say, would be to concentrate in one department the collection of foreign intelligence now performed not only by the C.I.A. but also by the Army, Navy, and Air Force separately around the world. However, opposition would be forthcoming from vested interests in the armed services and in Congress. They say, therefore, that Mr. Nixon is unlikely to adopt it.

At the other end of the scale,

informants report, Mr. Nixon could merely issue an executive order defining — thus strengthening — the authority of Mr. Helms over the intelligence operations of such powerful federal agencies as the Pentagon, the State Department, the Atomic Energy Commission and the Federal Bureau of Investigation.

Officers Meet Weekly

Their principal intelligence officers meet weekly as members of the United States Intelligence Board. Mr. Helms, as the President's chief intelligence adviser and head of the C.I.A., presides, but his authority is unclear. It derives from a letter written by President Kennedy in 1963 to John A. McCone, one of Mr. Helms's predecessors, and has never been updated.

While Mr. Helms has full control over the C.I.A., the Pentagon's worldwide intelligence gathering activities, which Robert F. Froehke, an Assistant Secretary of Defense has estimated costs \$2.9-billion yearly.

"When you have the authority but don't control the resources," a Defense Department official observed, "you tend to walk very softly."

The President is said to regard Mr. Helms as the nation's most competent professional intelligence officer. Last month, informants disclose, Mr. Nixon wrote Mr. Helms congratulating the C.I.A. on its recent annual estimate of Soviet defense capabilities.

To provide control over the

huge intelligence system and make it responsive to his needs, Mr. Nixon is likely, his staff associates say, to choose one — or a combination of — the middle options before him that do not require Congressional approval.

Closer Ties Possible

It is likely, officials say, that Mr. Nixon will eventually bring Mr. Helms and a top-level staff of evaluators from C.I.A. headquarters in Langley, Va., closer to the White House, possibly into the National Security Council staff.

Officials concede that under a reorganization Mr. Helms might relinquish to his deputy, Lieut. Gen. Robert E. Cushman, of the Marine Corps, some of his responsibility for the C.I.A.'s day-to-day collection operations and concentrate, instead, on intelligence evaluation for the President. One possibility envisaged under the reorganization would be the creation by Mr. Helms of an evaluation staff in the White House drawn from the C.I.A.'s Office of Current Intelligence and its Office of National Estimates. The latter prepares long-range studies in depth of potential trouble spots.

Another would be the creation by Mr. Nixon of a White House intelligence evaluations staff made up of Mr. Helms, General Cushman, Lieut. Gen. Donald V. Bennett, director of the Defense Intelligence Agency, and Ray S. Cline, director of the State Department's Bureau of Intelligence and Research.